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ABSTRACT

This paper is an attempt to have an overview of poverty in one of the most affluent nations in the whole world, America, and what this means to its black population with special emphasis on the black youth. The purpose of this paper is: (1) to give a definition and some dimensions of poverty in the United States of America; (2) to find out the scope and consequences of poverty in America to its black youths; (3) to review the already existing strategies to combat poverty; (4) to examine a number of the major characteristics of poverty; and, (5) to suggest other ways and means of alleviating and finally solving the poverty problems, especially in the black community. It is concluded that the different strategies can be conceived of as attempts to change environment, occupational chances, the pattern of claims on income distributed outside the market, people, the distribution of power, as well as to change the performance of the economic system. Programs of new investments in human resources, although promising, cannot reach all families in poverty, and there will inevitably continue to be a considerable reliance on programs of income maintenance as well. (Author/JM)

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THE THIRD ANNUAL NATIONAL CONFERENCE

ON THE BLACK FAMILIES

PAN AFRICAN STUDIES DEPARTMENT

UNIVERSITY OF LOUISVILLE, BELKNAP CAMPUS

LOUISVILLE, KENTUCKY

POVERTY IN AMERICA: CONSEQUENCES ON THE BLACK YOUTH

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AFRICAN AMERICAN STUDIES PROGRAM

UNIVERSITY OF MARYLAND BALTIMORE COUNTY

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TABLE OF CONTENTS

	Page
What Is Poverty.	1
The Moneylessness Aspect of Poverty.	2
The Powerlessness Aspect of Poverty.	5
What Are the Causes of American Poverty?	7
Two Theories of Poverty.	8
Other Independent Causes of Poverty.	9
Lack of Education and Training	10
Economic Systems	12
Summary.	12
Consequences of Poverty - Black Youth.	13
Major Characteristics of Poverty	18
Major Characteristics of American Poverty & Others . .	19
Approaches to Eliminate Poverty.	25

NATIONAL CONFERENCE ON THE BLACK FAMILY IN AMERICA: BLACK YOUTH

PAN AFRICAN STUDIES DEPARTMENT

UNIVERSITY OF LOUISVILLE BELKNAP CAMPUS

LOUISVILLE, KENTUCKY

This paper is an attempt to have an overview of poverty in one of the most affluent nations in the whole world, America, and what this means to its Black population with special emphasis on the Black youth. The purpose of this paper is:

1. to give a definition and some dimensions of poverty in the United States of America
2. to find out the scope and consequences of poverty in an affluent society, America, to its Black youths
3. to review the already existing strategies to combat poverty
4. to examine a number of the major characteristics of poverty as different from poverty in less affluent societies
5. to suggest other ways and means of alleviating and finally solving the poverty problems, especially in the Black community.

There are many facets of poverty which need to be explored and examined but the author has elected to discuss the above purposes, since the subject is such a broad one.

What is Poverty

The author warns readers on this topic to be very careful not to confuse the meaning of poverty with the methods governmental agencies and other institutions measure it. Of course, they all have close affinity but are separable issues. From time immemorial, poverty has meant differ-

things to different people. There are certain aspects of poverty that can be very easily measured whereas there are others that are immeasurable. The most salient aspect of the definitions of poverty should be the most crucial for the author's purposes which are most closely related to the reasons why people are concerned with it. After having ascertained what these definitions are, then we should attempt to determine whether and how well poverty in these terms can be measurable.

Many a man has defined poverty as some sort of insufficiency of means relative to needs or better still as a situation of moneylessness. Dale Tussing in his book entitled, Poverty In A Dual Economy, defined poverty to mean:

> an aspect of social pathology that includes not only moneylessness, but dependency, helplessness, lack of political influence, and the like.[1]

In this instance poverty is a condition of powerlessness, and so this aspect of it cannot very readily be measured.

The Moneyless Aspect of Poverty

Poverty in the sense of moneylessness means not having enough of the legal tender which is the basic medium of exchange to satisfy the fundamental human needs. This means that one in such a predicament cannot function economically and socially well. We are all aware of the fact that no rational being can function well without the purchasing power which is derived from the ownership of money. In every society, primitive or civilized, fundamental human needs are always in existence. Equally important is the fact that although standards of living vary from place to place and over some time period, there are still many commonalities of minimums such as nutritious food, rest or sleep, and shelter, clothing in

both cold and warm areas; medical care and sanitation, and recreation and entertainment. On the basis of these factors we can jolly well say that poverty is a lack of sufficient resources, or money, to use in procuring all these factors.

Standard of living differs from one society to the other and the methods of satisfying various human needs are usually determined by the society. For instance in some cultures each family group may grow its own food. In some others, food may be bought daily in village or township markets or in small corner neighborhood stores. In the more affluent cultures, such as the Unit' States of America, food, some of it canned or frozen, may be bought in ' ger quantities in shopping centers or grocery stores. The food buyers usually use their cars or pick-up to transport it to its final desinations. They own refrigerators and freezers to store the different kinds of food stuffs. In this instance, poverty will certainly be defined differently in each of these societies. In one culture, obviously the less affluent one, the lack of refrigerator may indicate indigence and in others it will not be. As can be sensed by now, there is no universally applicable standard of poverty either in terms of dollars or in terms of goods and services.

According to Tussing, conceptually, the most direct way to determine who is poor in a society is to draw a list of the basic goods and services needed to function in that society and place a money value on them. Persons whose incomes are below that value, that is people whose means are not enough to fulfill their basic needs, are always classified as being poor. To the author of this paper, that is a very crude method of describing the ones who are impoverished but it can be improved by excluding all the persons whose incomes are transitorily low, such as

graduate students and those who are temporarily between jobs, whose life-long incomes are expected to be fairly high, for whom low incomes are not a permanent problem to be passed on to the next generation, and whose incomes do not in the least constitute a social problem.

As Tussing pointed out, a person who has a job that pays him precisely the minimum needed to function according to the on-going standards, but who is unable to be certain that he will have enough to get by tomorrow if his income falls or his needs increase is in a highly vulnerable situation. The one may become poor at any moment. That limits his range of choices and affects his pattern of behavior. Economic vulnerability can be avoided and economic security achieved, in four ways thus:

1. by the ownership of wealth or assets,
2. by access to credit, that is the ability to borrow,
3. by all sorts of insurance, and
4. by income-maintenance programs.[2]

If a country does not have any welfare programs, and the individual does not have any insurance, the only possible way to provide for such economic hazards as sickness, unemployment, and perhaps, business failures, is by saving, accumulation of wealth, or by maintaining a good credit rating, which often is dependent upon wealth. It is quite obvious that an individual can have no tangible or non-tangible assets, and no credit, and yet be fairly invulnerable to economic hazards if he is protected by medical insurance, workman's compensation if he works for others and not self-employed, retirement pensions, and such other things. An individual who does have income security, insurance, and some assets may be less poor than one

who has higher income but who has none of the above mentioned protections.

Poverty in Account of Powerlessness

The human beings who are poor do not only differ from the non-poor in the amount of money they have at their disposal, but also differ psychologically as well as economically. Research and experience have indicated that poor individuals have higher than mean rates of criminality, suicide, narcotics addiction, physical and mental illness, and alcoholism. It is very likely that the poor may live in unhealthy environments in physically dangerous structures. Family, and sometimes social, disunity is prevalent to them. All these problems are usually compounded by a pathological feeling of powerlessness. The poor live lives that are ordered apparently by forces outside their control, that is by people in the position of authority. Dr. Haggstrom, writing on the subject of poor people, had the following to say:

> . . . the poor are faced with a particularly difficult variety of situational dependency, a helplessness to affect many important social factors in their lives, the functioning or purpose of which they do not understand, and which are essentially unpredictable to them.[3]

In many countries of the world, including the United States of America, the poor seem to accept that they are failures as they have been labelled by the society. Material success is very highly respected and therefore important. The survival of the poor in American society is often dependent upon others; their apathy in social matters is heightened by their economic vulnerability.

On the basis of the above points the writer feels that what individuals regard as the problem of poverty is not identical with insuf-

ficiency of means relative to needs. The author feels that poverty is measured in terms of lack of power as well as money. The power that is referred to here is that sort essential to control over one's own destiny. In reality, there are some individuals who are poor in terms of money income, savings, and the ability to meet future needs who are not poor in the pathological sense associated with powerlessness. Perhaps, people who can be classified into this group are not very many, however, since moneylessness is important part of powerlessness.

To equate poverty with powerlessness has some implications. One of the important implications is that many of the effective solutions to the poverty problem must come from the poor people themselves. There are two movements such as the National Welfare Rights Organization and the Woodlawn Organization whose goals are the betterment of the economic conditions of the welfare recipients, and also making it possible for the poor to have some say in some matters affecting their lives. On the other hand, some seemingly antipoverty programs that reinforce dependency and powerlessness by taking away from the poor control over their own lives may actually increase their sense of psychological dependency, stultify their personal development and perpetuate their poverty.

In this case the author of this paper is using power to mean a sense of freedom, the ability to make choices essentially affecting one's own life. The people who command very high money incomes have many more choices than those people who have meager incomes. These people can choose where they will live, what forms of entertainment and recreation they will like to enjoy, how they will like to dress and most often where they will like to work. Because of these, moneylessness is a vital aspect of powerlessness.

In actuality, the concept of poverty as powerlessness underlines the salient aspect of economic vulnerability. The people who are poor have a line of demarcation separating them from the rich in terms of their greater vulnerability to economic catastrophe, a vulnerability that limits their choices, and hence their freedom, and by their present standard of living. On the whole, lack of money and economic vulnerability are sure forms of powerlessness.

What Are the Causes of American Poverty

It would be a very serious error to think unilaterally that the characteristic of the poor such as their race, the sex, of the head of the family, their age, their type of residence, their level of education are necessarily the cause of their poverty. In the words of Tussing, "Rural families are more likely to be poor than urban families, but this does not mean that living in the country is necessarily the cause of poverty. Blacks are more likely to be poor than whites, but this does not mean that blackness per se is a cause of poverty."[4] Before we can assert that any particular characteristic or combination of characteristics of the poor is a cause of poverty we must be in a position to explain the process of causation that makes this so. We must be able to provide a good theory of poverty, distinquish between what things or phenomena that first make a person family, or a group poor and such things or phenomena that keep them poor. Human beings in every country face all sorts of hazards that can make them poor such as the death or disappearance of a husband; or father, sickness or accident; unemployment or other business reverses; floods, earthquakes, and other calamities; wars, riots or other events that disrupt normal patterns of life. In some countries where there is no good welfare system or if there is one, it has

been disrupted, these common and universal hazards may create poverty that for various reasons becomes chronic.

A country's system of welfare is largely important in determining whether there will be chronic poverty. In any society in which the welfare system is well organized and administered, there is no necessary reason for chronic poverty to develop.

In an aggregate sense, poverty may be caused among the minority of a larger society by employment discrimination. But at the micro level racial discrimination is not the direct cause of poverty. As Alfred Dale has pointed out, ending discrimination in this case would not end or even reduce poverty although it would redistribute it. This writers' last point here is an example of the 'fallacy of composition', of reasoning from the part to the whole, and also of assuming that what causes individual poverty causes aggregate poverty as well. According to the authors research, it may but often it does not.

Two Theories of Poverty

The case and generic theories have been advanced by Tussing and has used them to further describe some of the causes of poverty. Under the case theory, he has attributed some of these characteristics of the poor as the causes, their intelligence, education, skill, handicaps, health, age, marital status, sex, religion of residence, and family size.[5] In some cases the features cited as causes of poverty reflect some kind of presumed defect in the poor such as low intelligence or an unwillingness to work. It must be understood here that intelligence as used here means just the skill to accumulate wealth and has little or no relationship with the intelligence for formal educational performance. In this theory therefore, poverty results from a combination of individual characteristics and social policy.

The second theory of poverty known as generic which maintain that poverty results from a general economywide problems rather than from individual characteristics. The most glaring examples of the applicability of generic theories are in poor, underdeveloped countries where poverty can hardly be said to derive from individual defects. In developed countries like America and some countries of Europe, the main generic problem is inadequate employment opportunities. Because there are not enough jobs, some people are unable to locate any jobs at all, while many others are just able to find part-time or intermittent jobs or sometimes regular full-time work at very low wages. As can be realized from the above factors, for reasons which are not related to personal features or characteristics there are usually so many non-poverty-level jobs in the country and those who cannot obtain them may be poor. This statement will be true only as long as the economic system and social policy do not work to spread the consequences of generic systems more or less evenly over the entire population of the particular country. From what has been already said, one can now see that poverty arises not only out of generic economic problems such as inadequate employment opportunities, but out of the characteristics of the economic system and social policy.

Other Independent Causes of Poverty

There are three other important causes of poverty in America such as: 1. Personal Inadequacies, 2. Lack of Education and Training and 3. Economic System. Many people are permanently handicapped by low intelligence, chronic physical ailments, crippling deformities or mental illness. Since these groups of people are less productive or absolutely unproductive, the incomes which they earn are usually less, as a result they are chronically poor. Of course a large proportion of people in this category have been made what they are by poverty. One should understand that health and nutrition are

crucial in influencing human intelligence. In many instances, therefore, personal inadequacies are not the ultimate causes of poverty.

According to Ferman, when people become poor because of chronic physical ailments, their poverty is caused by implicit social decision. There should be no tangible reason why, unless the society itself is poor, why handicaped people should live on what they are able to earn or on what poverty-level transfers. If such people are poor, it is as a result of their handicap and society's reaction to it. Inadequacies in the welfare system may be considered as one of the causes of permanent poverty of their children.

Lack of Education and Training

When one looks at the statistics of the working poor, one finds a very high concentration of persons who have neither adequate education nor marketable skills. The author's research indicated that there is a close link between education and high earnings, but some of the linkage presumably causal in nature. It is therefore proper to attribute some poverty to a lack of education and other training. As Tussing pointed out it is too difficult to ascertain how much difference years of education make in determining income. Obviously, education has a big connection with other variables that are crucially important in making some impact on the income of parents: Social class and position, health, race, and intelligence.[6] Furthermore, employers tend to use educational attainment as represented by such items as diplomas, degrees or years spent in school as a proxy for desirable traits such as ability, knowledge and ambition, traits that people with less formal education have on a large scale. In some cases, employers are likely to use educational attainment as a job rationing device to weed out applicants and

simplify the hiring process during the prolonged periods of economic slack, recessions, and depressions.

In such instances as the above one can realize that it is the distribution of education that influences the allocation of jobs in an economy. For some people more education will not necessarily mean more jobs, it may only mean a different distribution of jobs. Further education for many may not change the situation if it does not change the distribution. The impact of education on income may perhaps be exaggerated, but this does not mean that education is not crucially important. Sometimes lack of formal education may not be the ultimate cause of poverty. Education is a social rather than a private good in many countries. For this reason its distribution and amount are affected by government policy. If government policy makes for an uneven distribution of educational benefits, and if that uneven distribution causes unequal incomes or even to poverty, we can attribute inequality of income partly to public policy.

Seligman has pointed out that it may be true that children who come from poverty stricken homes lack the motivation to learn that others have, and their parents may fail to encourage and infuse into them the spirit and a desire for learning. In such a case, even if society provides what appears to be equal educational opportunity for all, the performance of such children in school will be inferior. The economist, Carroll, has also indicated that educational preferences, desires, and motivations can be endogenous, that is caused by poverty and characteristics associated with poverty. Nevertheless, the acquisition of a good formal education is one of the strategies in the fight against poverty.

Economic Systems

There are four popular economic systems such as capitalism, socialism, communism, and fascism. One thing should be noted here, and that is that there are widely held theories which attribute poverty and other social ills, such as imperialism, militarism, and unemployment to one or the other economic system.

Many people in America have ascribed poverty in this country to the economic system which is capitalism. Some argue that this system possesses most of the traits that cause a large number of citizens to be poor. For example, they argue that the firms face competition from others, the employees face competition from others, and each capitalist faces competition from many other capitalists. Dale pointed out that the ultimate economic sanctions for poor performance are business failures, the loss of one's job, the collapse of stock values and others. Lesser sanctions include decreasing profits, low wages or frequent lay-offs and market losses. The capitalist system depends upon these sanctions for the effective functioning of the system.[7]

In actuality no one economic system single-handedly causes chronic poverty, but many aspects of economic systems are quite important in determining the likelihood and features of poverty.

Summary

The incidence of poverty can be seen to be highest among the minority groups especially the Blacks because discrimination has made them to have had least access to the means for the accumulation of wealth, and

least opportunity to acquire title to and to work with accumulating physical capital. Sharecropping, trade unions, the United States Department of Agriculture, and the American School System have all placed obstacles between capital and the members of particular minority groups, especially the Blacks.

The original state of human beings was poverty. People could leave such state by acquiring capital, either accumulating wealth through learning or physical capital by developing land or constructing buildings and machines. Some of the conditions that prevent acquisition of capital by blacks are the same factors that prevent acquisition of capital, human and physical, by the white dominant group. The only factor in this instance which does not apply to the dominant group is discrimination. The factors include the following: inadequate prenatal and obstetrical care, malnutrition, inadequate knowledge of learning and work opportunities, inadequate education and training, and insufficient aggregate demand. Blacks are special in that these factors inhibit their capital accumulation especially severely. To reiterate, in addition Blacks have been and are objects of discrimination that exclude them from learning and from work that would utilize their ability. On the whole, discrimination by America's white majority has scared the self-image of many members of the Black race, and has thereby restricted their belief in the possibility of and their interest in reaching for success in the national economic activities.

Consequences of Poverty - Black Youth

There have been series of research which have attempted to support the idea that growing up in dilapidated overcrowded homes, and crime and disease ridden neighborhoods cause a child to (a) accept these environmental

features as part of the normal order of things, (b) to become demoralized, and (c) to rebel against these features of his environment.

The youths from poverty-stricken families are deprived of the broad range of experiences which are available to youths from higher-income families. Their limited imagery of the world makes it harder for them to succeed in one of the most important stepping stones to better endeavors, the school. Many of the poor Black families are not in a position to provide the youths with these experiences and widened images because of their own limitations. They seem to be unaware of the benefits of all these necessary experiences and the value system centering in the institutions of education of different levels.

Harold Sheppard, describing this situation further, had this to say, "Placement at high school into one of three or four curriculums marks the final casting of the die for the student's entire future life. If a Black youth is placed on vocational education track - say sometime between the ages of twelve and fourteen - he will have zero probabilities of qualifying for college, if indeed he has had developed in him any interest in college attendance at all."[8]

It is an obvious fact that it is just a very insignificant number of the Black youths and their parents in this category that make the important decisions in this area. The educational system usually makes these decisions for them. The poor Black families remain extremely unaware of or sometimes, indifferent about educational matters or maybe, they are fearful of the bureaucratic setting of the school atmosphere, and very often, abiding by the decision of the school.

The incidence of mass culture of poverty in the black ghetto can be seen when one looks at the hard-core poverty of the average black young adult job corps enrollees. Their reading and mathematics achievement is below that of fourth grade level. Over eighty per cent have not perhaps seen a physician or dentist in ten years. Most of the Black youths experience broken home effects. The head of the household from which some of them come experiences unemployment. The family may be on public relief. They live in sub-standard housing. The youths are as a result requested to leave school so as to take up menial jobs in order to assist in supporting the family. Both parents often times have less than eighth grade education.[9]

As the remarks made above are to some extent representative of life-styles in the black community, it is certainly true that the notion of mass culture of poverty has application. There is no mass culture of poverty for the United States economy as a whole. In fact there is in the U.S. certain black areas which can, by all means, boast of a mass culture of wealth. On the other hand, it could even be justifiably claimed that in some cases the conditions of life in some Black ghettos are highly unbearable in this 20th century.

Seligman has pointed out that upper-class experience provides students with a need for personal achievement that is expressed in their constant search for success, teaching them from infancy to face each new situation aggressively and to overcome it to the best of their ability. When they take a test, whether the subject is arithmetic or general intel-

ligence, they normally try to do their best on it, for their ego is on trial. For this reason they must make good and they generally do.

On the other hand, the lowest class adolescent has been subjected to a family and class culture in which failure, worry, and frustration are common. He has not been trained at home to do his best in school. His parents have not ingrained in him the idea that he must make good grades if he is to be a success in life. Moreover the class system as it functions in the school does not help him to overcome the poor training he has received at home and in the neighborhood.

As Silberman pointed out, youngsters from poor families lack the sense of auditory discrimination, that is the ability to distinguish seemingly minor but crucial differences in sounds. This is an ability that is vital to successful reading achievement. It is possible that living in two rooms with six or more people forces the child to learn how not to listen. He thereby fails to acquire an ability to distinguish between relevant and irrelevant noises. In the classroom, which is usually filled with more children in slum schools than in other neighborhood schools, he often hears only a package of fuzzy sounds, especially if outside traffic is also added to the auditory environment.

Perhaps more important, the poverty family child does not have the fortune of having adults correct his pronunciation. Often it is a matter of having no adults whatsoever during most of his waking hours. And when we come to the southern rural migrant to the northern urban areas, his problems get aggravated further by the fact that the phonic system of the language he speaks is quite different from the system of the language which the teacher speaks and which the reading primers use. Coming from

a nonverbal household, the child seldom hears several lengthy sentences spoken consecutively. On the other hand the teacher is likely to talk on and on for several sentences. For the poverty-family child, this might as well be another language. And really, it is another language.

Wilfred David emphasizing the above point said, "On a more subtle level, the absence of, or limitations in, a verbal environment can mean a limited perception, and image of the world. Objects in the environment, even including the self as an object come to have an existence in behavior and thinking to the extent that the individual in large part learns names for them."[10]

Along with the language handicap, poverty children become poorly motivated, essentially because they rarely experience any reward or punishment in the family for success or failure in school. If there is absolutely no mechanism for prompting children to gain and sustain academic interest, and achievement, the school system as it is structured cannot succeed very well. In contrast to such middle-class phenomena as preschool books and reading encouragement by a parent, the poverty child usually does not even have books and pencils in his home environment.

Finally, one of the most elegant statements concerning vicious circles of poverty did appear in the 1964 Economic Report of the President shortly after the rediscovery of American poverty thus,

> A poor black individual or family has a high probability of staying poor. His low incomes carry with them high risks of illness; limitations on mobility; limited access to education, information, and training. Poor parents cannot give their children the opportunities for better health and education needed to improve their lot. Lack of motivation, hope, and incentive is a more subtle but

> no less powerful barrier than lack of financial means. Thus the cruel legacy of poverty is passed from partents to children.[11]

According to Sheppard, education appears to be the mechanism for upward mobility as well as for transmission of level of economic status from generation to generation. Education which was once denied the blacks affects their earnings and their progress during their lifetime as well as the education of their children. That is not just a matter of the acquisition of skills and training. Foresight and planning, which are essential to getting ahead and assuring the education of people's children are affected by formal education as well as by the attitudes and achievement motivation of the head.[12]

This goes to reaffirm the saying that he who has the education controls the minds and actions of the people. The white man who, for centuries embraced the western education in America, has dominated the political, economic, and social affairs, not only in America but in other parts of the world.

Major Characteristics of Poverty

Most people in the world are poor. Most of the Americans are not poor. Most of the people in the world are poor because they live in those countries in which per capita income is too low that even an equal distribution of output would leave everyone poor. This condition characterizes the world as a whole, since the world's total production is so small relative to the world's 3.5 billion people that an equal distribution would leave everyone poor. Most people in America are not and most people

in many other nations of the world are not poor because they live where per capita income is high. Nevertheless, even in those countries many people are poor, not because their country's per capita income is low, but because of their country's system of dividing production among its residents.

Major Characteristics of U.S. and Other Poverty

Some economists feel that the Black community is an underdeveloped economy, that in many respects it is formally and structurally similar to the economies of the present underdeveloped countries and consequently they share identical economic problems.

C.R. Winegarden wrote in an issue of the Review of Black Political Economy: "In a relative sense, black America may be designated as a less developed country. It displays, when compared with the surrounding white population many of the classic symptoms of the less developed country syndrome including low income per capita, inadequate levels of skill and education, inferior conditions of health and well-being, scarcity of native entrepreneurship, shortage of capital, and a chronically high incidence of unemployment and underemployment. These and other negative elements interact generating the familiar vicious circles of such societies. Of course, there are deviations from the classic pattern, of which the most conspicuous are the geographic dispersion of the black people within an advanced nation and their partial integration into the political and economic life. Nonetheless, the parallelism is so striking as to suggest that it may be analytically useful to think of black economic problems in developmental terms and to employ certain of the concepts and tools that have been devised for attacking underdevelopment."[13]

William Tabb, in his important work on the Political Economy of the Black Ghetto writes, "The Black Ghetto is best viewed from the perspective of development economics. In its relations from the dominant white society, the black ghetto stands as a unit apart, an internal colony exploited in a systematic fashion. There are limits to such a parallel, but it is helpful as an organizational construct. Through it, current policy alternatives may be viewed in a more meaningful perspective than heretofore. The black ghetto is in many ways similar to that of the typical underdeveloped nation."[14]

Unlike the Black ghettos, underdeveloped countries are national, political, social, and geographic entities, removed and in many respects very different from countries such as the United States of America. This kind of argument could be answered easily. Even though it is evident that the Black ghetto does not exist as a national unit it does exist as a geographical, economic, and social unit with its own unique psycho-pathology. In this context it can be argued that the Black ghetto is an economic entity covered by a glacier of poverty. Not only has it been in existence for some time, but there are some 163 of these little economies scattered throughout the length and breadth of the American economy.

Just as Cross pointed in his book, Black Capitalism: "The painfully apparent features of the ghetto economy are its economic weakness, a low level of productivity, and the poverty level of its consumers. Not so obvious is the economic isolation of the ghetto, its complete separatism

from the normal American mainstream economy of which it is a sick, dependent, and almost wholly owned subsidiary. Within the United States there is a separate nation of the poor containing twice as many people as the population of Canada. Among these poor are four million negro families, of which almost exactly one half have incomes under $3,000.00. Most of them live in the country's 163 urban ghettos."[15]

Kenneth Clark made an identical point, but much more incisively. He refers to the invisible wall separating the ghetto from the mainstream economy: "Ghetto was the name for the Jewish quarter in sixteenth century Venice. Later it came to mean any section of a city to which Jews were confined. America has contributed to the concept of the ghetto the restriction of persons to a special area and the limiting of their freedom of choice on the basis of skin color. The dark ghetto's invisible walls have been erected by white society, by those who have power, both to confine those who have no power and to perpetuate their powerlessness. The dark ghettos are social, political, educational and above all economic colonies. Their inhabitants are subject peoples, victims of the greed, cruelty, insensitivity, guilt and fear of their masters."[16]

The underdeveloped countries are characterized by a mass culture of poverty whereas the poverty characteristics of the Black ghetto are different in kind and in form. In other words, the average inhabitant of the ghetto actually and potentially, operates at a much more sophisticated level than his counterpart in the developed countries' economy. As a re-

sult, therefore, two different and distinct situations are being dealt with here. For instance, Kenneth Parsons expressed, "The differences in these two type situations of the United States and the underdeveloped countries are obvious and even formidable. The United States is a highly developed country with a long history of growth, scientific and technological achievement, a remarkable system of production and firmly established institutions and public procedures. The underdeveloped countries are in varying degrees in the early stages of modernization and even of nationhood. The proportions of the poor are different and, however severe the plight of the poor may be in the Unted States, the poverty-stricken in the United States are only beginning to be a drag on the total system of state and economy, as is characteristic of the poorer underdeveloped countries, where the poverty of the many weighs down the whole system."[17]

There are certain dissimilarities between the types of poverty that are in the United States of America and the less developed countries, but one's total view depends on one's perception of the realities involved. First of all, it is quite true that the United States is a highly developed country with a long history of growth, scientific and technological achievement, and a remarkable system of production, and firmly established institutions and public procedures. This is absolutely true about the white American mainstream economy, but it is certainly false about the large number of black ghettos. The point is that one should compare like with like. The structural characteristics of the black ghetto reflect the exact opposite of the features depicted by Parsons. In this context it can be truthfully said about the black ghetto economy, that it has had a

long history of backwardness, marginal growth, if any, no scientific and technological achievement, a primitive system of production, no firmly established economic institutions or public procedures. Furthermore, even where such institutions or procedures exist, they are totally dysfunctional to the needs and problems of the ghetto. This is because, as in the case of the less developed economy, they have been totally transplanted from the mainstream American metropolis to the ghetto periphery, and without modifications.

The next point concerns the percentage of the poor in the black ghetto and the underdeveloped countries. Again, this depends on one's own perception of the problem. From the author's point of view it can be argued that there does exist a mass culture of poverty in the black ghetto.

To the extent that the above remarks are representative lifestyles in the black ghettos, it is certainly true that the notion of mass culture of poverty, has application. There may not be mass culture of poverty for the American economy as a whole, that is in disaggregative terms. It could even be justifiably claimed that in some cases the conditions of life in some ghettos are even worse than in some developing countries.

Again, the two situations can be compared and analyzed by reference to some concept of a poverty threshold. Within the entire underdeveloped situation, there are many poverty thresholds or pleateaus. Some underdeveloped peoples live and exist at higher or lower levels than others. While it is perhaps true that the average black ghetto inhabitant exists on a lower poverty threshold than the average inhabitant of the less developed country, the fact remains that both types of individuals are poor. It is just a matter of degree. Formally the argument may be reduced to saying that if one takes the class of underdeveloped countries in terms of standards

of living and economic opportunities some of these economies are further along the development road than others. For example, while countries like Argentina, Venezuela, Nigeria, Ghana, Trinidad may be considered at an immediate stage of development, some countries in AFrica and Asia may be further back in the development race. All these countries are formally in the same boat. The black ghetto economy is somewhere in this spectrum. Some black ghettos are at the top of the poverty spectrum, others at an intermediate stage, while others are the bottom of the threshold.

The fact that the poor in the United States are only beginning to be a drag on the total economic system does not mean that the problem is not as real as in the third world countries. As pointed out earlier, the problem has existed for a long time, but to some extent it is beginning to be thought out of existence, a veritable case of intellectual and psychological neglect. As long as the black ghetto dwellers remain powerless in terms described by Kenneth Clark, then American society in general could behave as if their problem did not exist. As long as the mainstream American economy remains relatively powerful in economic terms, then it could be assumed that the black economic situation is not a drag on the overall economy. The point is, however, that the hopes and aspirations of the black poor are no less intensive because of this fact.

In conclusion, the most important point emerging from an examination of Parson's remark is that one must attempt to compare like with like, that is the ghetto economy with other third world countries' economics, and not with the mainstream American economy in terms of its developments and achievements. Such a comparison tends to convey the impression that the American economy is homogeneous in structure. The American economy, like the typical underdeveloped economy is a dual economy with modern and sub-

sistence sectors existing side by side. Production and technological and other achievements alluded to by Parsons really refers to the modern or white sectors of the economy, but the ghetto economy is more like the subsistence sector.

It could perhaps be said that although there is no separate black nation in the United States in a political sense, a growing black consciousness has developed over the past few years which continuously impels the black poor to exhort their leaders and the rest of American society to provide them with the better things of life.

Approaches to Eliminate Poverty

There are five inter-related policies which act to reduce poverty. These are income maintenance programs, investments in human resources, promotion of general economic expansion, programs of area and regional development and promotion of equality of opportunity.

As has been outlined above, human investment, general economic expansion, area programs and the promotion of equal opportunity for all are all important in America's drive to eliminate poverty among Blacks. The significance of this variable points to past and present discrimination as an important cause of American problem of poverty. If there were an end to job discrimination and if general economic expansion improves Blacks' job opportunities, the equation indicates that poverty in the U.S. would have been reduced.

General economic expansion alone will not eliminate the gap between whites and Black median incomes. With high unemployment and fewer job opportunites, Blacks found jobs increasingly scarce and increases in their median income fell behind that of the whites. From 1952-1963, the ratio of blacks to white median incomes fell from 56.8 to 52.9 per cent. During every recession in the postwar period, the ratio has dropped very sharply.

Blacks have less seniority, on the average and are particularly affected in times of lay-offs. The rapid expansion of 1964 almost restored the earlier peak levels, and 1965 probably did bring further gains to the blacks. In this way, a rise of national income raises Black incomes more than proportionately narrowing the black-white income gap. Income maintenance, human investment, and general economic expansion are the most important means for eliminating poverty owing to the lack of a wage earner. General economic expansion will draw some individuals into the labor force, but there also has to be a heavy reliance on income redistribution to reduce poverty. For the old, the sick, and those who have other incapacities, poverty can only be eliminated by welfare programs. The federal-state public assistance program is the largest single protection against want and deprivation for needy families who have no private resources. Financial and medical assistance was provided for in fiscal 1966 to about 8 million poor citizens.[18]

The federal-state vocational rehabilitation program is designed to restore very many individuals to employability. Other federal programs such as unemployment insurance and old age insurance are major factors in a policy of income maintenance. It is said that most of these payments go to families above the poverty line, but they are also important sources of income for many families in poverty.

Investment in human resources through education is one of the most effective ways of reducing the future incidence of poverty. The impact which education is supposed to make in solving the problems of poverty is dependent upon a sufficiently rapid economic expansion to generate jobs for our more highly educated labor force.

There is the need for both a strong school system for the young and a strong training system for individuals who are beyond school age. Investment of wealth is a means of creating more wealth. Investments in human capital concentrate resources on making the poor more self-sufficient and productive: schooling, job training, health care, and various techniques of fitting them into the job market.

Transfer payments provide cash to the poor and to other groups in the society. These payments include negative income tax, fatherlessness insurance, children's allowances, guaranteed income, and various cash subsidies. They are a means of redistributing income outside the market place. The author submits that cash transfers to the poor could be provided in a way that promotes self-respect, and perpetuates the myth that they like the farmer or subsidized industry are actually helping the country by accepting the money. Transfers have been made to emphasize a way of building up and assuring total income, instead of the 1930's emphasis on replacing income lost because of illness, unemployment, accident or old age.

The U.S. public policy has been biased against the use of transfer payments to reduce poverty. People erroneously feel that guaranteed income for the poor increases shiftlessness, immorality, and illegitimacy. Subsidy payments to farmers or industries rouse few doubts about the danger to the moral fiber of their recipients. Public assistance programs seem less concerned with whether the poor get enough as the harm it might do them if they did.

Rehabilitation approach concentrates on changing people usually by psychological menas, to restore social functioning. It ranges from guidance and counseling, through casework, to psychotherapy and psychoanalysis. Rehabilitation hopes to overcome poverty by overcoming personal and family disorganization and deviancy.

The participation approach includes those activities that try to overcome many of the psychological and social effects of poverty by giving the poor people a stake in society and a chance to affect their own destinies. As Alan Haber pointed out, "American poverty, while it involves considerable physical hardship, is primarily social poverty. It isolates the individual from the social mainstream, denies him the respect and status of the respectable members of the society, and excludes him from mobility opportunities into positions of social worth."[19] Really, economic deprivation is fundamentally a political problem, and power will be required to solve it.

Another approach known as the economic measures concerns itself with reducing poverty by using the dribble-down concept. If production in an economy is stimulated, and the country prospers at the top, some of the benefits will also dribble down to the poor. Another approach favors bubbling up the poor into the economic mainstream by programs designed directly to benefit them such as new jobs, more low skill jobs, minimum wages and so on.

The final approach called Amenities which concern themselves with supplying services that strengthen and enrich the quality of life, that directly modify the environment of the poor. They serve as increments to personal and family welfare, whether as household help, child care facilities or information centres.

To summarize, the different strategies can be conceived of as attempts to change environment, amenities, to change occupational chances, investment, to change the pattern of claims on income distributed outside the market, transfer, to change people, rehabilitation, to change the distribution of power, participation and finally, to change the performance of the economic system, economic measures.

The war on poverty, with its great emphasis on attacking the causes of poverty, is a bold, new undertaking by public and private agencies. It reflects a renewed concern with the achievement of a fair distribution of income, a concern based not on envy but on compassion. If combined with general economic policies to create job opportunities and with increased opportunities and with increased equality of opportunity, the new investments in human resources should yield a handsome and satisfying return to society. However, these programs cannot reach all families in poverty, and there will inevitably continue to be a considerable reliance on programs of income maintenance as well.

FOOTNOTES

[1]A. Dale Tussing, Poverty In A Dual Economy, St. Martin's Press, N.Y. (1975) p. 2

[2]Ibid. p. 3

[3]Michael Harrington, Poverty In America, Michigan, The University of Michigan Press (1972) p. 213

[4]A. Dale Tussing, Poverty In A Dual Economy, St. Martin's Press, N.Y. (1975) p. 69

[5]Ibid. p. 71

[6]Leo Fishman, Poverty Amid Affluence, Connecticut. New Haven, Yale University Press (1968), p. 176.

[7]A. Dale Tussing, Poverty In A Dual Economy, St. Martin's Press, N.Y. (1975) p. 111

[8]Ben B. Seligman, Poverty As A Public Issue, New York, The Free Press (1968) p. 103

[9]Wilfred David, The Economics of Racial Discontent, Colorado, University of Denver Press (1973) p. 5

[10]Ibid. p. 32

[11]A. Dale Tussing, Poverty In A Dual Economy, New York, St. Martin's Press (1975) p. 28

[12]Morgan & David, Income and Welfare in the United States, University Press, (1970) p. 444

[13]C.R. Winegarden, "Industrialization in the Black Economy: Industry Selection," Review of Black Political Economy (Autumn 1970) p. 28

[14]William Tabb, The Political Economy of the Black Ghetto, New York, W.W.Norton, (1970) p. 21

[15]Theodore L. Cross, Black Capitalism: Strategy for Business in the Ghetto, New York, Atheneum (1970) p. 31

[16]Kenneth B. Clark, Dark Ghetto Dilemmas of Social Power, New York, Harper & Row, (1965) p. 11

[17]Kenneth H. Parsons, "Poverty As An Issue in Development Policy: A Comparison of the United States and the Underdeveloped Countires," Land Economics XLV, 1 (February 1969) p. 52

Footnotes, Continued

[18]Leo Fishman, Poverty Amid Affluence, New Haven, Yale University Press, (1968) p. 210

[19]Alan Haber, Poverty in America, Ann Arbor, The University of Michigan Press (1975) p. 638